

May 11, 2004

REQUEST FOR INFORMATION (RFI) SOLICITATION

Addendum 1

Solicitation Initially Posted: May 7, 2004

Contracting Officer: Joanne Mitchell

Telephone Number: (404) 651-6183

Proposal Due Date: May 24, 2004

Time: 4:00 PM EST

This addendum is issued due to revisions to the initial solicitation dated May 7, 2004 and to revise the proposal due date to **May 24, 2004**. **All revisions are in bold on the following page.**

NOTE: A signed acknowledgement of this addendum should be received by this office prior to the due date and hour or should be attached to your proposal response.

Firm Name

Signature

Typed Name and Title

Date

Addendum 1
May 11, 2004
SHBP Strategic Planning
Consulting Services

Dear Potential Proposer:

The State Health Benefit Plan (SHBP) Division of the Department of Community Health (DCH) is soliciting invitations to bid for consulting services to support the development of strategic options that address the delivery and management of health care services for its **315,000 employees, retirees and their 320,000 dependents**. The SHBP continues to experience enormous cost pressure in maintaining a viable and valuable healthcare benefit for state employees.

SHBP provides health care coverage primarily to employees and retirees of state agencies, and county and city boards of education (teachers and school service personnel). Current membership is in the following options:

Plan option	Covered Lives
Indemnity	24,000
PPO	368,000
HMO	243,000 (BlueChoice, United Healthcare, Cigna and Kaiser)

Delivery and management of health care services for the Indemnity and PPO membership is currently divided among the following vendors:

TPA –Claims processing and member services	Blue Cross Blue Shield of Georgia
Care Management (including preauthorizations, precertifications, case management, disease state management and 24 hour nurse line	Unicare
PPO Network Management (Georgia)	1 st Medical Network
Pharmacy Benefit Manager	Express Scripts, Inc.
National PPO Network Management (outside Georgia)	Beech Street
Behavioral Health Services	Magellan

The Board of Regents of the University System of Georgia (BOR), with over 42,000 employees and retirees, participates in the above vendor contracts for the Indemnity and PPO plans. The BOR also participates in the SHBP contracts with the Bluechoice and Kaiser HMO plans. The benefits determinations and operations of the BOR health plan are independent of DCH and SHBP.

DCH intends to engage consulting support to review the current delivery and management of healthcare services across all options. This would include analyzing the current choice of options and recommending changes as appropriate, reviewing the current division of vendor services to determine if the consolidation of services would result in more effective management of health care expense and recommending changes to be made in Care Management to insure that SHBP engages and implements the “best in class”. The DCH seeks to insure that all alternatives currently being implemented or considered by other large employers are evaluated as part of the decision making process. As information, it is anticipated that there will be considerable emphasis on strengthening case management and disease state management. Additionally, SHBP intends to consider a program where the Care Management vendor accepts risks based on program outcomes.

With these objectives in mind, the successful vendor will perform the following tasks:

Initial Phase (to be completed within 60 days of engagement)

- Analyzing the six current (Indemnity, PPO and 4 HMO) offerings and making a recommendation on changes to the number and type of products offered in order to better manage healthcare costs while maintaining appropriate choice for members;
- Recommending new or different offerings that should be considered based on the experience of other large employers;
- Assisting with the development of an RFP strategy and timetable for renewal of all vendor services;
- Providing recommendations on consolidation of vendor contracts to include an analysis of industry best practices. This is expected to include information from other states as well as large private industry plans; and
- Developing recommendations for the care management program that includes an evaluation of industry best practices. This is expected to include a methodology for basing a substantial part of vendor reimbursement on outcomes.

- **Determining the advantages and disadvantages of consolidating the administration of the SHBP and BOR health plans.**

Follow-up Phase (timeframe to be determined)

- Assisting with the development and preparation of the RFPs for new vendor procurements; and
- Assisting with the development of benchmarks and other tools to monitor the results of vendor efforts to manage health care costs.
- **Assisting with the consolidation of the BOR and SHBP health plans (if needed).**

The SHBP strategic planning project will be awarded on **June 4, 2004**, with a projected kickoff of **June 14, 2004**. If your firm is interested in responding to this opportunity, please e-mail or send via mail four (4) proposals **by no later than 4:00 p.m. on Monday, May 24, 2004 to the attention of:**

Joanne Mitchell, Contracts Manager
Georgia Department of Community Health
Office of Contracts Administration
2 Peachtree Street, N.W., 35th Floor,
Atlanta, GA 30303-3159

Please limit your proposal to no more than 15 pages.

Please submit the following information:

- The names and brief backgrounds of the proposed consultant team members;
- A schedule of the time commitment/availability of each team member for Phase 1 (including the program manager).
- A minimum of three references of large employers (over 100,000 covered lives) for which your firm provided plan management services within the past 24 months;
- A list of employers or managed care organizations for which your firm developed cost-saving strategies for benefit plan costs;
- Recent health care benefit engagements with any other state government entities and the scope of the engagement; and
- A disclosure of any conflict of interest with any current clients or vendors that could impact your firm's involvement on this engagement.

If you should have any questions, please e-mail your questions to Joanne Mitchell at jmitchell@dch.state.ga.us. All questions must be received by **Tuesday, May 18, 2004**, by **4:00pm**. Answers in response to questions received will be posted to the DCH website at www.dch.state.ga.us, under Request for Proposal, by **Thursday, May 20, 2004**.

Thank you for your interest.